

Retailers are prohibited from advertising or holding out that they will absorb the purchaser's Use Tax obligation. See 86 Ill. Adm. Code 150.515. (This is a GIL.)

December 7, 1998

Dear Mr. Xxxxx:

It has come to our attention that COMPANY advertised on a private mailer that it would pay sales tax on customer purchases made at its CITY store on November 17, 1998.

Please consider this letter as fair notice that the mailer advertisement violates the provisions of Section 7 of the Use Tax Act (35 ILCS 105/7). As indicated therein, it is a class A misdemeanor for a retailer to advertise that he will pay the sales tax on a purchase. We have enclosed a copy of 86 Ill. Adm. Code 150.515 which reflects this statutory prohibition.

While we do not want to interfere with your advertising techniques, under the circumstances, we are compelled to do so. You should immediately cease advertising that you will pay the sales tax. Any future advertisements of this kind will be viewed as a continuing violation which could result in criminal prosecution, sales tax liability, or both.

Very truly yours,

Karl Betz
Associate Counsel

KB: